



## ARIZONA DEPARTMENT OF INSURANCE

### CHANGES TO LICENSING OF INSURANCE PROFESSIONALS BY LAWS 2004, CHAPTER 162 (HB 2232) AND LAWS 2004, CHAPTER 317 (HB 2270)

#### SUMMARY OF CHANGES

1. Effective January 1, 2005, a license issued to or renewed by an individual will expire on the last day of the individual's month of birth. License fees shall not be prorated.
2. Effective January 1, 2005, an Arizona insurance license with a license number that ends with an even number will be renewed for a term of three to four years (considered a "four-year license"). An Arizona insurance license with a license number that ends with an odd number will be renewed for a term of one to two years (considered a "two-year license"). All licenses issued or renewed after January 1, 2007 shall have a four-year term. The license renewal process is illustrated on the next page.
3. The fee to obtain a "four-year license" (\$120.00) is double the fee for a "two-year license" (\$60.00).
4. Effective January 1, 2005, a licensee who resides in Arizona who at any time during the license term holds a nonresident license in at least one other state will be required to complete 20 hours of CE during the term of a "two-year license," and 40 hours of CE during the term of a "four-year license." The license renewal process, including CE requirements, is illustrated on the next page.
5. Name changes must be reported within 30 calendar days of the change.
6. Effective August 25, 2004, the Director may issue licenses in electronic form.
7. HB 2232 formalized ability of the Director to require new members, officers and directors of an Arizona-resident business entity licensee to furnish fingerprints.
8. Licenses may be "late renewed" up to one year post license expiration. A person may not act under an expired license. A person who fails to renew a license within one year of its expiration shall be required to meet the requirements for a new license, including passing any required examination and submitting fingerprints if required.
9. Vending machine license term coincides with the license term of the controlling producer.
10. The licensing process for title insurance agents is specified as the being the same as for insurance producers.
11. Title insurance companies are no longer required to furnish lists of the title agents representing the insurer in Arizona.

# LICENSE RENEWAL PROCESS FOR LICENSES EXPIRING AFTER JANUARY 1, 2005

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**Does your Arizona insurance license number end in an odd number?**

## **NO (even-numbered license)**

Upon renewal of your license between January 1, 2005, and December 31, 2006, you will renew your license for between THREE and FOUR years. Your new license will expire on the last day of your month of birth.

**Have you had a non-resident license in another state at any time during the expiring licensing period?**

### **NO**

If you have not held a non-resident license during your licensing period you do not have a CE requirement.

### **YES**

When renewing your license between January 1, 2005, and December 31, 2006, include with your renewal application evidence of completing 20 hours of CE.

**Will you hold a non-resident license in another state at any time on or after January 1, 2005?**

### **NO**

An Arizona resident who does not have a non-resident license will continue to not have a CE requirement.

### **YES**

When renewing your license (between January 1, 2009, and December 31, 2010), you will need to include with your renewal application evidence of completing 40 hours of CE.

## **YES (odd-numbered license)**

Upon renewal of your license between January 1, 2005, and December 31, 2006 you will renew your license for between ONE and TWO years. Your new license will expire on the last day of your month of birth.

**Have you had a non-resident license in another state at any time during the expiring licensing period?**

### **NO**

If you have not held a non-resident license during your licensing period you do not have a CE requirement.

### **YES**

When renewing your license between January 1, 2005 and December 31, 2006, include with your renewal application evidence completing 20 hours of CE.

**Will you hold a non-resident license in another state at any time on or after January 1, 2005?**

### **NO**

An Arizona resident who does not have a non-resident license will continue to not have a CE requirement. Beginning January 1, 2007, all licenses will be renewed for four years.

### **YES**

When renewing your license between January 1, 2007, and December 31, 2008, you will need to include with your renewal application evidence of completing 20 hours of CE. Your license will be renewed for four years. Subsequent renewals will require the completion of 40 hours of CE during the license term.

## COMPARISON OF REQUIREMENTS BEFORE AND AFTER JANUARY 1, 2005

Subject	Before January 1, 2005	On/after January 1, 2005
<b>License term</b> A.R.S. § 20-289	License expires on the last day of the month, two years from date of issuance.	<p><b><u>For business entities</u></b>, license expires four years from date of issuance or previous expiration date. Between January 1, 2005, and December 31, 2006, business entity licenses with an even license number will renew for four years; and, business entity licenses with an odd number will renew for two years.</p> <p><b><u>For individuals</u></b>, license expires on the last day of the licensee's birth month, between three and four years from date of issuance.</p> <p>Licenses for individuals expiring between January 1, 2005, and December 31, 2006, will be renewed (if renewal requirements are met) in accordance with the following procedure:</p> <ul style="list-style-type: none"> <li>• If the Arizona insurance license number ends with an <b>even number</b>, the renewed license will expire on the last day of the licensee's month of birth, between three and four years from the previous license expiration date. Applicant will pay the quadriennial license fee to obtain the license.</li> <li>• If the Arizona insurance license number ends with an <b>odd number</b>, the renewed license will expire on the last day of the licensee's month of birth, between one and two years from the previous license expiration date. Applicant will pay <i>one-half</i> the quadriennial license fee to obtain the license.</li> </ul> <p>Licenses expiring on or after January 1, 2007, will expire on the last day of the licensee's month of birth, four years from the previous license expiration date.</p>
<b>License fees</b> A.R.S. § 20-167. Fee amounts subject to change after June 30, 2005	<p>Surplus lines broker, biennially: \$600.00</p> <p>All other licenses (one or more lines of authority), biennially: \$60.00</p> <p><b>Fees are not prorated. Fees are non-refundable.</b></p>	<p>The biennial license fee ranges for "surplus lines brokers" and "all other licenses" is replaced by quadriennial license fee equal to double the biennial fee ranges, as follows:</p> <ul style="list-style-type: none"> <li>• Surplus lines broker, quadriennial: \$1,200.00</li> <li>• All other licenses (one or more lines of authority), quadriennially: \$120.00</li> </ul> <p><b>Fees are not prorated except that only half the quadriennial fee is required to renew a license for one to two years (see "License term," above). Fees are non-refundable.</b></p>
<b>Continuing education ("CE")</b> A.R.S. § 20-2902	<p>An Arizona resident who holds a non-resident license in one or more other states must complete</p> <ul style="list-style-type: none"> <li>• 20 hours of CE for a single-line license, or</li> <li>• 30 hours of CE for a multi-line license.</li> </ul>	<p>An Arizona resident who, <i>at any time during the term of the license</i> held a license in one or more other states must complete</p> <ul style="list-style-type: none"> <li>• 20 hours of CE (regardless of whether a single- or multi-line license) if the term of the expiring license is between 1 and 2 years, or</li> <li>• 40 hours of CE if the term of the expiring license is greater than 2 years.</li> </ul>
<b>Name Changes</b> A.R.S. 20-286	<p><u>EFFECTIVE AUGUST 25, 2004</u>: A name change must be reported to the Department of Insurance within 30 days of the change.</p>	<p>A name change must be reported to the Department of Insurance within 30 days of the change.</p>
<b>License Certificates</b> A.R.S. 20-286	<p><u>EFFECTIVE AUGUST 25, 2004</u>: The Department is permitted to issue licenses in electronic form. The status of each Arizona insurance licensee is available from the Department of Insurance Internet Web site, at <a href="http://www.id.state.az.us">www.id.state.az.us</a>.</p>	<p>The Department is permitted to issue licenses in electronic form. The status of each Arizona insurance licensee is available from the Department of Insurance Internet Web site, at <a href="http://www.id.state.az.us">www.id.state.az.us</a>.</p>
<b>Late renewal</b> A.R.S. § 20-289	<p>A person may renew an expired license if, within six months of the license expiration date the person submits the application meeting all license requirements, the license fee and a \$100 late renewal fee. A person may not act under an expired license.</p>	<p>For licenses expiring after January 1, 2005, a person may renew an expired license if, within one year of the license expiration date the person submits the application meeting all license requirements, the license fee and a \$100 late renewal fee. A person may not act under an expired license.</p>